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**FROM:** Ivan Posey  
**PHONE:** 310-712-8311**DATE:** February 23, 2004  
**CLIENT/MATTER #:** 10487-1**PLEASE DELIVER AS SOON AS POSSIBLE TO:**

RECIPIENT	COMPANY	FAX NO.	PHONE NO.
Stefano Karmis	U.S. Patent & Trademark Office	703.872.9306	703.305.8130
Examiner		703.746.9392	
Art Unit 3624			

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**MESSAGE:**

Please see attached documents for Applicant's Interview Summary for the interview held with the Examiners on January 28, 2004 for Application Ser. No. 09/491,747.

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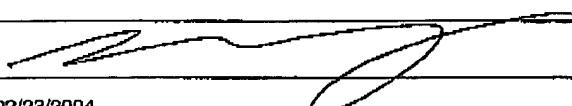
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<b>TRANSMITTAL FORM</b> <i>(to be used for all correspondence after initial filing)</i>	Application Number	09/491,747	
	Filing Date	01/27/2000	
	First Named Inventor	Brad S. Konla	
	Group Art Unit	3624	
	Examiner Name	Stefano Karmis	
Total Number of Pages in This Submission	6	Attorney Docket Number	10487/1

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Firm or Individual name	Ivan Posey	
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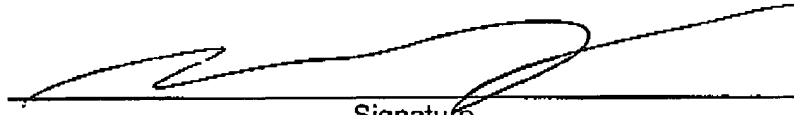
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- 3) Examiner Interview Summary (4 pages)

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<b>TRANSMITTAL FORM</b>  <i>(to be used for all correspondence after initial filing)</i>	<b>Application Number</b>	09/491,747	
	<b>Filing Date</b>	01/27/2000	
	<b>First Named Inventor</b>	Brad S. Konia	
	<b>Group Art Unit</b>	3624	
	<b>Examiner Name</b>	Stefano Karmis	
<b>Total Number of Pages in This Submission</b>	5	<b>Attorney Docket Number</b>	10487/1

ENCLOSURES (check all that apply)		
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SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT	
Firm or Individual name	Ivan Posey
Signature	
Date	02/23/2004

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PATENT  
ATTORNEY DOCKET NO. 10487-1**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of: Konia  
Serial No.: 09/491,747 Examiner: Karmis, Stefano  
Filed: January 27, 2000 Group Art Unit: 3624  
Title: ONLINE AUCTION BID MANAGEMENT SYSTEM  
AND METHOD

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**INTERVIEW SUMMARY**

Sir:

This Interview Summary is submitted pursuant to M.P.E.P § 713.04 after a telephone interview held on January 28, 2004. The participants in the interview were Examiner Stefano Karmis, Primary Examiner Hani Kazmimi, Applicant Brad Konia, and counsel for Applicant, Ivan Posey. There were no exhibits or demonstrations presented during the interview. Independent claims 1, 11, 23 and 24 were discussed, and the specific prior art discussed was U.S. Patent No. 5,835,896 (*Fisher*), and *Fisher* in combination with U.S. Patent No. 6,269,361 (*Davis*).

Applicant has already filed an Amendment And Response ("Response") to the Last Office Action, dated December 23, 2003, on February 4, 2004 containing a summary of the January 28, 2004 interview. However, Applicant received an Examiner's Interview Summary (form PTOL-413) dated February 10, 2004. Applicant submits this Interview Summary as required when Applicant receives an Examiner's Interview Summary subsequent to replying to the last Office Action.

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Attorney Docket No.: 10487-1  
Serial No. 09/491,747

The Applicant thanks the Examiner and the Primary Examiner for the courtesy extended to Applicant and his counsel in the January 28, 2004 interview. In the interview, the merits of the rejections of the case were discussed. Specifically, the invention was discussed in view of the new rejections of the claims over *Fisher*, and *Fisher* in combination with *Davis*. With respect to independent claims 1 and 11, Applicant's counsel explained that, although *Fisher* does disclose a "proxy bid" system that allows the auction manager to automatically bid on the bidder's behalf, *Fisher*, even in combination with *Davis*, fails to disclose a system or method which checks for whether a bidder's bid is too high for a specific position of priority or ranking that a bidder wishes to maintain in an auction. Further, *Fisher* and *Davis*, alone or in combination, fail to disclose a system or method which automatically decrements or lowers a bid if the bid is found to be higher than needed to maintain a selected position of priority or ranking in an auction.

Applicant's counsel explained that this feature has particular significance in continuous type auctions, such as in search engines where bidders bid on advertising rankings for terms. In non-continuous auctions, bidding occurs for a set period until a product is sold. In continuous auctions, bidding continues indefinitely. In the search engine example, payments may be assessed at the bid price every time a search engine user clicks on the their search engine listing, or every time the bidder's listing is included in a search. Even though savings are realized in a non-continuous auction using the bid-reducing feature of the present invention, in the continuous auction context, savings may be even more pronounced as payments accumulate over time.

Applicant's counsel further explained that, while it is possible in the *Davis* system

Attorney Docket No.: 10487-1  
Serial No. 09/491,747

to manually check a bid position or ranking (see Col. 19, ll. 38-58), the *Davis* system does not automatically check the bidder's position. Further, *Davis* provides no means to automatically lower a bidder's bid if the bid is higher than necessary to maintain the desired position or ranking for the bidder. Again, especially in the continuous auction context, it would be very time consuming for a bidder to constantly check to see if their bid is at the minimum necessary to maintain their priority position using the *Davis* system, even in view of the newly cited *Fisher* system, which does not have any means for automatically checking and lowering a bidder's bid if the bid is higher than necessary. Without such a feature, if the bidder does not constantly take the time to perform this check, then the bidder may pay considerably more than is necessary to maintain their position.

Applicant's counsel agreed to amend claims 1 and 11 to include the feature of automatically reducing a bid if the bid is found to be higher than needed to maintain a selected position of priority in the auction, and has done so in the February 4, 2004 Response.

With respect to claim 23, Applicant explained that *Fisher* and *Davis*, individually, combined, or in combination with the other cited art, fail to disclose a system for automatically managing bids in an auction in which vendors complete for selling products or services to buyers. The invention of claim 23 provides a system in which a vendor is able to provide information for the system to automatically submit bids for selling, which are automatically lowered if the vendor does not have the desired priority for selling.

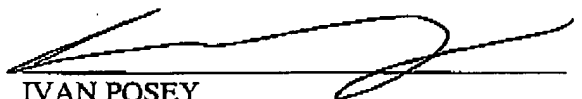
With respect to claims 24-25, the Examiners imposed a Restriction Requirement.

Attorney Docket No.: 10487-1  
Serial No. 09/491,747

Applicant's counsel traversed and elected to prosecute claims 1-23 in this application,  
while reserving the right to re-submit claims 24-25 in a divisional application.

Respectfully submitted,

Dated: February 23, 2004



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